

# **Chapter 253, P.L. 2001**

(Approved November 15, 2001)

**ASSEMBLY, No. 988**

**STATE OF NEW  
JERSEY**

**209th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Assemblyman LEONARD LANCE**

**District 23 (Warren, Hunterdon and Mercer)**

**Co-Sponsored by:**

**Assemblymen Gusciora, Cohen, Caraballo, Green  
and Charles**

**SYNOPSIS**

Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

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### CURRENT VERSION OF TEXT

Introduced Pending Technical Review by  
Legislative Counsel.

**AN ACT** concerning certain retired members of the Public Employees'  
Retirement System of New Jersey and amending P.L.1966, c.217.

**BE IT ENACTED** *by the Senate and General Assembly of the State of  
New Jersey:*

1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to read  
as follows:

27. a. Except as provided in subsection b. of this section, if a former  
member of the State Employees' Retirement System or the retirement  
system, who has been granted a retirement allowance for any cause other  
than disability, becomes employed again in a position which makes him  
eligible to be a member of the retirement system, his retirement  
allowance and the right to any death benefit as a result of his former  
membership, shall be canceled until he again retires.

Such person shall be re-enrolled in the retirement system and shall  
contribute thereto at a rate based on his age at the time of re-enrollment.  
Such person shall be treated as an active member for determining  
disability or death benefits while in service and no benefits pursuant to an  
optional selection with respect to his former membership shall be paid if  
his death shall occur during the period of such re-enrollment.

Upon subsequent retirement of such member, his former retirement  
allowance shall be reinstated together with any optional selection, based  
on his former membership. In addition, he shall receive an additional  
retirement allowance based on his subsequent service as a member  
computed in accordance with applicable provisions of chapter 84 of the

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is  
not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

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laws of 1954; provided, however, that his total retirement allowance upon such subsequent retirement shall not be a greater proportion of his final compensation than the proportion to which he would have been entitled had he remained in service during the period of his prior retirement. Any death benefit to which such member shall be eligible shall be based on his latest retirement, but shall not be less than the death benefit that was applicable to his former retirement.

b. The cancellation, re-enrollment, and additional retirement allowance provisions of subsection a. of this section shall not apply to a former member of the retirement system who, after having been granted a retirement allowance, becomes employed again by: (1) an employer in a position for which the compensation does not exceed \$10,000 per year; or (2) if the compensation exceeds \$10,000 per year, by an employer that is a public institution of higher education as defined in N.J.S.18A:62-1 in a teaching staff position. The Director of the Division of Pensions and Benefits may from time to time adjust **[this]** the amount in paragraph (1) of this subsection. This adjustment shall be 3/5 of the percentage of change in the index, as defined in section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as determined by the director. (cf: P.L.1997, c.23, s.2)

2. This act shall take effect immediately.

### STATEMENT

This bill would allow a retired member of the Public Employees' Retirement System (PERS) to accept employment with an institution of higher education in a teaching position covered by the retirement system, if the compensation is in excess of \$10,000 per year, without being

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subject to the cancellation of retirement benefits and re-enrollment in the system. Under current law, the retired member may already accept such employment if the compensation does not exceed \$10,000 per year. Neither the individual nor the employer would be required to contribute to the retirement system with respect to the new employment. The bill defines public institutions of higher education to include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, any State or county college, and any other college or university that may be established at some future time.

This bill addresses only PERS retirees because the benefits of retirees from other retirement systems or pension funds established pursuant to State law are not affected if the retiree returns to employment in a teaching position with an institution of higher education.

The purpose of this bill is to encourage PERS retirees to reenter public service as teaching staff members in public institutions of higher education in this State. There is a wealth of expertise among these retirees and they could provide significant contributions to higher education if they were assured that their retirement benefits would not be affected.